(c) which are the units of ITI which are making profit and which are the units loosing; and

(d) what are the steps taken by Government to place adequate orders by DoT and to save the Industry?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): (a) ITI has incurred losses during the last three years. The main reasons for losses incurred by the Company are indicated below:

(i) Competition from private vendors, after liberalisation of the telecom sector.

(ii) Interest burden due to commercial borrowing by the company.

(iii) High manpower cost and other overheads.

(b) The total accumulated losses suffered by Ms ITI upto 31st March, 1997 are Rs. 411.51 crores as per details given below:

1994-95 — Rs. 81.91 crores
1995-96 — Rs. 283.96 crores
1996-97 — Rs. 45.64 crores (Subject to CAG Audit)

TOTAL Rs. 411.51 crores

As the peak network of the Company got eroded by more than 50% as on 31st March, 1996, a reference was made by the Company to BIFR under Section 23 of the Sick Industrial Companies Act 1985, in November'96.

(c) As per the unaudited results for the year 1996-97, Bangalore, Naini, Rae Bareli, Srinagar, Electronic City Unit, Bangalore and Network Systems Unit, Bangalore have incurred losses while Palakad and Mankapur Units have earned profit.

(d) DoT has reserved 15% to 30% of its orders outside the tender exclusively for ITI. In addition, the Company can secure more orders by participating in the tenders floated by the DoT. To help the Company, a policy of advance payments upto 75% of the value of the purchase orders is being followed by the DoT. 'Due to the above measures and certain other steps taken by the DoT like waival of liquidated damages, compensation for the losses incurred by the Srinagar Unit and Govt. guarantee for the bonds floated by the ITI during last year, the Company has shown marked improvement in its performance during the year 1996-97 as compared to the year 1995-96.

Telephone Exchanges in Gujarat

1553. SHRI AHMED PATEL: Will the Minister of COMMUNICATIONS be pleased to state:

(a) the number of telephone exchanges functioning in Gujarat as on date, district-wise;

(b) existing capacity of each of these exchanges;

(c) whether there is any proposal before Government to increase the capacity of existing telephone exchanges in the State and to establish new exchanges in the near future; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): (a) to (d) The information is being collected and will be laid on the Table of the House.

Performance of Integrated Services Digital Network

1554. SHRI GHUFRAN AZAM: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Chief of the MTNL has recently admitted that